

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL
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Attorney General Racine Helps Obtain \$41.2 Million National Settlement with Hyundai, Kia over Fuel Economy Claims

District Will Receive \$582K to Resolve Claims Companies Violated State, Local Consumer Laws

WASHINGTON, D.C. – Attorney General Karl A. Racine announced today that the District of Columbia and 33 states have settled claims that automakers Hyundai and Kia misrepresented the mileage and fuel economy ratings for some of their model year 2011, 2012 and 2013 vehicles. The settlement resolves allegations that the companies, through those misrepresentations, violated the District’s consumer protection laws and those of other states.

The \$41.2 million settlement is between the District, 33 states and Hyundai Motor Company; Hyundai Motor America; Kia Motors Corporation, Inc.; and Kia Motors America, Inc. It concludes a multistate investigation into the companies’ business practices relating to fuel economy estimate adjustments that occurred at a time when gasoline prices in the United States were especially high. The District will receive \$582,557.92 as part of the settlement, and consumers have already received hundreds of millions of dollars in restitution through programs put in place by the companies, as well as under a separate 2013 settlement in a class-action suit.

“Consumers who do thoughtful research and purchase a vehicle in line with their budget and their desire to protect the environment should be able to trust what automakers say about their cars,” said Attorney General Racine. **“The Office of the Attorney General will enforce our consumer protection laws to ensure companies live up to their word.”**

Before vehicles may be offered for sale in the United States, state and federal laws require auto manufacturers to conduct testing under mandatory protocols set by government regulators. They then use the resulting data to support the applications they make to regulators demonstrating their vehicles’ conformity to legal requirements. In November 2012, Hyundai and Kia announced they were adjusting and

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restating the fuel economy ratings for certain model year 2011, 2012 and 2013 vehicles after it was revealed that the companies had overstated the fuel efficiency of certain vehicles.

States Alleged Hyundai & Kia Overstated Mileage in Marketing Materials

The states alleged that Hyundai and Kia incorporated the inflated and inaccurate data into the estimated mileage ratings displayed on the window stickers of hundreds of thousands of cars across the country. The states also alleged that the companies sought to capitalize on the erroneous mileage estimates by placing them prominently in a variety of advertisements and other promotional campaigns. These actions would violate the District's Consumer Protection Procedures Act.

In addition to the payment to the District and the states, the settlement contains an injunction forbidding the companies from misrepresenting the estimated fuel economy of new motor vehicles in their advertisements.

"I want to thank Phil Ziperman, the Director of our Office of Consumer Protection (OCP), and Jimmy Rock, OCP's Deputy Director, for their work in this important multistate settlement," Attorney General Racine said.

Copies of the District's complaint in the case and the consent judgment are attached. In addition to the District, the multistate group – led by the states of Connecticut, Iowa and Illinois – includes Alabama, Arizona, Arkansas, California, Colorado, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Maryland, Maine, Massachusetts, Missouri, Nebraska, New Jersey, New Mexico, Nevada, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, Washington and Wisconsin.

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